



# State Solicitor's Office



2021-2022  
Annual Report



# Statement of compliance

For year ended 30 June 2022

Hon John Quigley LLB JP MLA

Attorney General; Minister for Electoral Affairs

In accordance with section 63 of the [Financial Management Act 2006](#) I hereby submit for your information and presentation to Parliament, the Annual Report of the State Solicitor's Office (SSO) for the reporting period ending 30 June 2022.

The Annual Report has been prepared in accordance with the provisions of the [Financial Management Act 2006](#).



**Angela Komninos**

Acting State Solicitor

30 September 2022

## Contact details

David Malcolm Justice Centre  
28 Barrack Street  
PERTH WA 6000  
Telephone: 61 8 9264 1888  
Email: [sso@sso.wa.gov.au](mailto:sso@sso.wa.gov.au)

## Acknowledgment of Country

---

The SSO would like to acknowledge the Traditional Custodians of Country throughout Western Australia. We recognise their stories, traditions and cultural practices. We pay our respects to Aboriginal people; and to Elders, past, present and future.

---

### About this report

This report provides a comprehensive overview of the SSO's performance and services delivered over the past year. It describes the functions and operations; achievements and successes; challenges and opportunities.

The report presents the audited financial statements and key performance indicators for the year ended 30 June 2022 and has been prepared in accordance with the Public Sector Commission's guidelines for 2021-22.

This report can be made available in alternative formats on request.

# Contents

<b>1. Overview.....</b>	<b>1</b>
Executive Summary: From the Acting State Solicitor .....	1
<b>2. About The State Solicitor's Office .....</b>	<b>2</b>
Role and Services of the SSO.....	2
Responsible Minister.....	2
Strategic Framework.....	2
Organisational Structure .....	3
Performance Management Framework .....	3
<b>3. Agency Performance .....</b>	<b>4</b>
Report on Operations.....	4
Key Achievements .....	6
Our People.....	10
<b>4. Disclosures and Legal Compliance .....</b>	<b>12</b>
Independent Auditor's Opinion .....	13
Summary of Financial Statements .....	18
Key Performance Indicators .....	66
<b>5. Other Statutory Information .....</b>	<b>69</b>
Other Legal Requirements .....	69
Government Policy Requirements.....	71



# 1. Overview

## Executive Summary: From the Acting State Solicitor

---

As the Acting State Solicitor, I am immensely proud to present this report and the achievements of the State Solicitor's Office (SSO) it represents.

---

This Annual Report 2021-22 is the SSO's inaugural annual report to the Government of Western Australia and all Western Australians. I have been Acting State Solicitor since May 2022, following the appointment of the former State Solicitor, His Honour Judge Nicholas Egan, to the District Court.

In a year filled with unexpected challenges, I am proud of the resilience and skill that the SSO's staff have displayed, enabling the SSO to deliver clear, authoritative legal advice and representation. I wish to express my appreciation and thanks to all of the staff of the SSO for their hard work and dedication to their roles.

On 1 October 2021, the SSO became an independent sub-department of the Department of Justice, as characterised under the *Financial Management Act 2006* (WA). This move was in response to the 2018 Special Inquiry into Government Programs and Projects (the **Langoulant Report**). The Langoulant Report recommended the status of the SSO could be enhanced by creating it as a separate office. The move supports the importance of the independence and impartiality of the SSO. It further promotes the continued tradition of the provision of high quality and cost effective legal services to Government.

Becoming an independent sub-department triggered a range of statutory and public sector corporate governance and management obligations, primarily under

the *Public Sector Management Act 1994* (WA) and *Financial Management Act 2006* (WA). Of significant note, it necessitated the employment of a chief financial officer and the development and implementation of a robust financial management system and internal audit capability. It also required the upskilling of the organisation so as to comply with the requirements of public administration and human management principles.

The shift to an independent sub-department required a review of the organisational structure and capability to ensure that the corporate functions required for the new statutory and corporate governance responsibilities were established. The review resulted in the implementation of a change management plan which was designed to implement increased internal capacity of corporate governance with clear lines of accountability and reporting across the SSO. With a continued emphasis on the SSO's core values of Excellence, Impartiality, Integrity and Respect, and the new model of accountability and enhanced service delivery, we will continue to build on the clarity and timeliness of our advice, and the provision of strategic legal advice that is beneficial to Government.

I wish to express my thanks to the Department of Justice, notably the Director General, Dr Adam Tomison and his corporate executive, the SSO's corporate executive and the corporate services project team who have been instrumental in the difficult and complex transition of SSO into a sub-department.

Finally, I would like to acknowledge and thank our clients. Your support, trust and frankness are essential to the provision of our legal advice. The SSO considers itself an integral part of your teams and I look forward to continuing to work with you in the year ahead.



## 2. About The State Solicitor's Office

### Role and Services of the SSO

The SSO is responsible for the provision of broad based, high quality legal services to the Government of Western Australia and to a wide range of State Government client departments and agencies.

In summary, the SSO:

- provides legal advice to the Government, the Attorney General of WA, Ministers and government departments and agencies;
- drafts legal documents for the Government and government clients;
- represents the State of WA and government clients in a wide range of civil litigation matters;
- provides commercial, conveyancing and other property related services;
- manages native title claims on behalf of the State of WA;
- provides representation at coronial inquests, Corruption and Crime Commission enquiries, Royal Commissions and class actions; and
- conducts prosecutions for client agencies with prosecutorial powers.

### Responsible Minister

The SSO reports to the Hon John Quigley LLB JP MLA, Attorney General; Minister for Electoral Affairs.

## Strategic Framework

### Mission

To protect and support the State of Western Australia in the public interest, and assist the Attorney General in upholding the rule of law.

### Vision

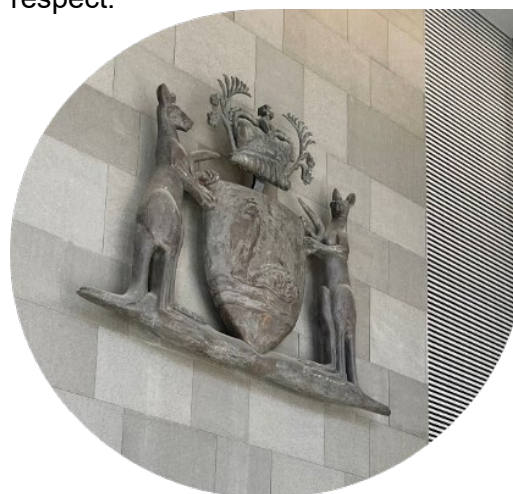
To provide the highest quality impartial legal advice and assistance to the State of Western Australia.

### Values

Excellence; Impartiality; Integrity; Respect

### Guiding principles

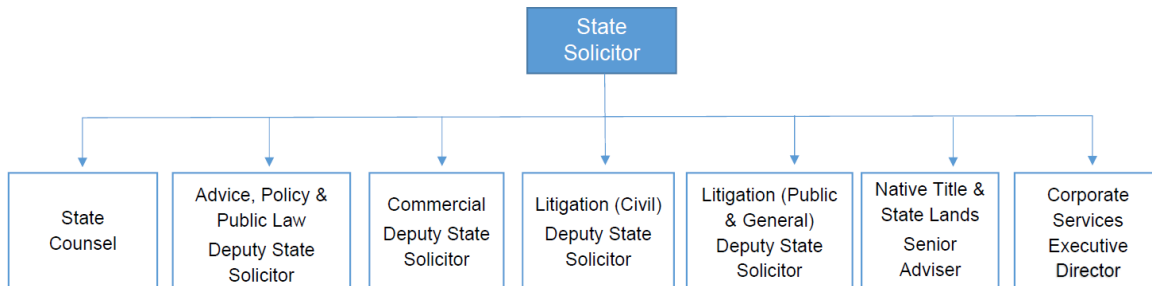
- To provide frank, fearless, impartial, and responsive legal services that are informed by our knowledge of the context in which State entities operate, and a whole-of-government perspective.
- To promote good governance and the rule of law by giving independent and impartial legal services respectfully.
- To be a diverse, collaborative and inclusive workplace that supports excellence, professional development, and continuous learning.
- To recognise the contribution of our colleagues, to take responsibility for our actions, and to treat everyone with respect.





## Organisational Structure

During 2021-22, the SSO obtained approval from the Public Sector Commission and the Salaries and Allowances Tribunal (SAT) to expand its senior legal leadership team. This enables the SSO to better meet the increasing demands for legal advice and assistance, whilst also ensuring the appropriate level of direction, support and professional oversight across the legal practice areas. The structure at 30 June 2022 is as follows:



## Performance Management Framework

### Relationship to government goals

Broad government goals are supported at an agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to.

The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the services delivered and the resources used to produce the service.

Government Goal	State Solicitor's Office - Desired Outcomes	Services
<b>Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive.</b>	Government receives quality and timely legal services.	Legal Services

### Shared responsibilities with other agencies

The SSO works closely across the sector to facilitate the efficient operation of government, informed decision-making and value for money outcomes for Western Australians. This is achieved through providing leadership and strategic advice to government on initiatives to improve the operations and management of services across the public sector.

### 3. Agency Performance

#### Report on Operations

##### Financial Targets

Financial results for 2021-22 are shown below.

	2021-22 Target <sup>(1)</sup> (\$000)	2021-22 Target Revised <sup>(2)</sup> (\$000)	2021-22 Actual (\$000)	Variation <sup>(3)</sup> (\$000)
Total cost of services (sourced from Statement of comprehensive income)	56,461	41,732	45,342	(3,610)
Net cost of services (sourced from Statement of comprehensive income)	55,546	41,046	44,942	(3,896)
Total equity (sourced from Statement of financial position)	2,731	3,011	6,890	(3,879)
Agreed salary expense level	37,989	28,630	27,875	755

(1) Information on the Target is based on estimates published in the 2021-22 budget statements.

(2) The Adjusted Target reflects the SSO as a sub-department on 1 October 2021 to 30 June 2022.

(3) Further explanations are contained in Note 10.1 of the Notes to the Financial Statements.

##### Working cash targets

	2021-22 Agreed Limit (\$000)	2021-22 <sup>(2)</sup> Agreed Limit Revised (\$000)	2021-22 Actual (\$000)	Variation (\$000)
Agreed working cash limit (at Budget)	2,660	1,964	1,964	-
Agreed working cash limit (at Actuals)	N/A	1,972	3,679 <sup>(4)</sup>	(1,707)

(4) The actual working cash balance at the close of the 2022 financial year is \$3,678,889. This amount consists of cash and cash equivalents of \$6,902,889, as identified in the Statement of financial position as at 30 June 2022, less \$1,363,000 for the replacement of the SSO's legal practice management system, and \$1,861,000 for funds received for legal costs on behalf of the State that are expected to be paid early in the successive reporting period.

## Summary of key performance indicators

Further detailed information is can be found within the Disclosures and Legal Compliance section of this report.

	2021-22 Target	2021-22 Actual	Variation
<b>Outcome 1: Government receives quality and timely legal services</b>			
Extent to which government agencies are satisfied with legal services	95%	93.2%	1.8%
<b>Service 1: Legal Services to Government</b>			
Average cost per legal matter	\$5,600	\$5,760	\$160

## Key Achievements

### Transition to a sub-department

On 8 July 2021, the State Government announced the SSO would become an independent sub-department of the Department of Justice.

The transition to a sub-department was guided by a Steering Committee with representatives from the Departments of Justice and Treasury, the SSO, and government labour relations.

The transition included the delegation of *Public Sector Management Act 1994* (WA) powers from the Director General of the Department of Justice and the delegation of the *Financial Management Act 2006* (WA) powers from the Under Treasurer to the State Solicitor effective from 1 October 2021.

This shifted a range of statutory and public sector corporate governance and management accountabilities to the State Solicitor requiring the establishment of a Corporate Services function to support the State Solicitor and the SSO to address the new statutory accountabilities and functional responsibilities.

The SSO and the Department of Justice have drafted a service level agreement (SLA) that outlines the level and nature of finance, human resources, information technology and executive services functions to be provided by the Department of Justice to the SSO. It is anticipated the SLA will be finalised in the second half of 2022.

### Supporting the State Government's response to COVID-19

Throughout 2021-22, the SSO continued to provide extensive legal and policy support to key agencies involved in the coordination of the State's response to COVID-19. The SSO put in significant effort towards assisting the Government's legislative reform and drafting of legislative instruments required to enable a better

outcome for the State. Staff of the SSO were able to rise to the challenge of the materially expanded legal requirements that encompassed new practice areas such as litigation stemming from workplace disputes as a consequence of mandatory vaccinations, COVID-19 compensation claims and vaccination roll-out issues.

Maintaining a COVID-safe workplace, and ensuring the health and wellbeing of staff, contractors and visitors, continued to be a major focus for the SSO throughout 2020-21.

The SSO developed and implemented ways to identify and manage work health and safety risks associated with COVID-19. This was set out in the Business Continuity Plan and was informed by WA Government directives, guidelines and advice.

### Advice, Policy and Public Law

The SSO has continued to support Government both through the provision of advice on matters of public and administrative law, and in its legislative agenda over the year, advising in relation to a number of Bills both during the drafting process and during the passage of the legislation through Parliament.

Of note, the SSO was involved in instructing on the drafting of the *Legal Profession Uniform Law Application Act 2022* (WA) and the *Legal Profession Uniform Law Application Regulations 2022* (WA) (and related consequential subsidiary legislation), and undertook consultation with industry stakeholders and advised the Attorney General on various Uniform Law policy matters.

The *Legal Profession Uniform Law Application Bill 2021* (WA) passed through the State Parliament on 5 April 2022, and received the Royal Assent on 14 April 2022. It came into effect on 1 July 2022, marking Western Australia's official entry into the Legal Profession Uniform Law scheme alongside New South Wales and Victoria.

The SSO played a central role in representing Government in connection with the Commonwealth Royal Commission into Defence and Veteran Suicides, which began on 8 July 2021, including liaison with the Solicitors Assisting the Royal Commission and facilitating the timely provision of information to the Commission.

In addition, the SSO provided a significant level of advice which was both legal and practical to support a range of agencies in connection with workplace health and safety reforms, following the commencement of the *Work Health and Safety Act 2020 (WA)* in order to assist agencies in the transition and implementation of those reforms.

### Commercial Matters

The SSO advised on and supported government agencies with significant commercial matters in 2021-22 including major hospital redevelopments and expansions across metropolitan and regional WA, such as:

- expansion of Joondalup Health Campus;
- planning for the insourcing of services and planned private co-location project at Peel Health Campus; and
- planning of a new Women and Newborn Service.

The SSO also provided extensive legal advice in respect of land acquisition, planning and development, procurement and contract management on transaction documents for METRONET including:

- the contract for the design, development and maintenance of a next generation railway communication system which is a critical element of the METRONET program and will support the planned new high capacity signalling system; and
- contracts for the Byford Rail Extension Project and Victoria Park-Canning

Level Crossing Removal Project which were awarded in May and June 2022.

The SSO supported Main Roads Western Australia by providing all legal services including documentation and advice for its major transport infrastructure projects, such as assisting with the procurement of the contracts for the:

- Stephenson Avenue Extension Phase 2 awarded in October 2021;
- Smart Freeway Mitchell Southbound project awarded in December 2021; and
- Causeway Pedestrian & Cyclist Bridge Project awarded in May 2022.

The SSO, together with Parliamentary Counsel's Office, advised the Department of Finance on the *Procurement (Debarment of Suppliers) Regulations 2021 (WA)* which came into effect 1 January 2022. In a first for Australia, businesses that engage in illegal activity can now be banned from tendering for government projects, or have current contracts cancelled, under these new procurement reforms. The new regulations aim to improve business practices and enhance integrity in procurement.

### Civil Litigation

#### *Historical child sexual abuse claims*

The SSO's Team for Institutional Abuse in Care (TIAC) manages claims made against the State by survivors of child sexual abuse, which involves engaging with survivors, other relevant institutions and their representatives in a trauma informed way.

As at 30 June 2022, SSO had received notification that:

- more than 750 claims had been made against the State; and
- approximately 240 matters have settled.

### *Joint State and Commonwealth Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability*

The SSO has acted for 14 agencies in the Disability Royal Commission and continues to provide legal advice and representation as needed to facilitate the State's participation and response to the Disability Royal Commission.

This has included representing the State's interests in two public hearings: Public Hearing 16 (First Nations Children with Disability in Out of Home Care) and Public Hearing 24 (The Experience of Children and Young People with Disability in Different Education Settings).

The SSO will continue to assist agencies in the formulation of a whole-of-Government submission to the Disability Royal Commission that is due 31 December 2022, addressing proposed recommendations and their impact on Western Australia.

### **Public and General Litigation**

#### *Perth Casino Royal Commission*

In March 2021, the Perth Royal Casino Royal Commission was established to inquire into the suitability of Crown Perth to continue holding a casino gaming license and examine the State's casino regulatory framework.

The SSO provided advice, legal assistance and representation at hearings for the Department of Local Government, Sport and Cultural Industries.

The Commission delivered its final report to the Governor of Western Australia, the Hon Kim Beazley AC, and to the Premier, the Hon Mark McGowan MLA on 4 March 2022 and the Final Report was tabled in Parliament on 24 March 2022.

The SSO is also providing advice in relation to the Government's response to the findings of the Royal Commission.

### *Discrimination Class Actions*

The SSO is representing the State and the WA Country Health Service in a Federal Court class action commenced by various members of the family of the late Ms Dhu. The class action concerns the actions of the State and the WA Country Health Service in circumstances where Ms Dhu died in hospital on 4 August 2014 while in police custody, having been arrested for non-payment of outstanding fines. The class action includes allegations of unlawful discrimination under the *Racial Discrimination Act 1957* (Cth).

The SSO is also representing the State in relation to a complaint of unlawful discrimination on the grounds of age, disability and race lodged in the Australian Human Rights Commission. The complaint is made by six named individuals, as representatives of a class of people, being, all persons who were sentenced to and served a term of detention/imprisonment at Banksia Hill Detention Centre or Rangeview Juvenile Remand Centre in the period 1 September 1997 to 27 June 2022.

### **Counsel Services**

#### *Constitutional Validity of the Iron Ore Processing (Mineralogy Pty Ltd) Agreement Amendment Act 2020 (WA)*

In October 2021, the High Court unanimously dismissed constitutional challenges to the *Iron Ore Processing (Mineralogy Pty Ltd) Agreement Amendment Act 2020 (WA)* in two separate proceedings commenced by Mr Clive Palmer, Mineralogy Pty Ltd and International Minerals Pty Ltd.

The SSO provided assistance to the Solicitor-General, who represented the State in both proceedings.

### *High Risk Serious Offenders Act 2020 (WA) (HRSO)*

The legislation provides for the continual detention or supervision of those deemed likely to pose an unacceptable risk to the community. The SSO has the primary responsibility for the administration of the State's functions in relation to conducting proceedings in respect of HRSO offenders.

As at May 2022, the SSO has:

- attended 256 Supreme Court hearings including directions hearings, preliminary hearings, restriction order hearings, and review and contravention hearings;
- received more than 40 new referrals from the HRSO Review Committee for consideration of restriction order proceedings; and
- had carriage of 138 HRSO matters.

In March 2022, the High Court heard a constitutional challenge to the State's High Risk Serious Offender's legislation. The SSO provided assistance to the Solicitor-General, who represented the State in the proceedings. The High Court ruled in favour of the State and dismissed the challenge.

### **Native Title and State Lands matters**

#### *Aboriginal Cultural Heritage Act 2021 (WA)*

The SSO has provided advice to agencies involved in reform of the State's Aboriginal cultural heritage legislation since the review of the outdated *Aboriginal Heritage Act 1972 (WA)* began in 2018.

This work culminated in the passing of the current legislation, the *Aboriginal Cultural Heritage Act 2021 (WA)*, which was assented to on 22 December 2021, and gave Aboriginal people a stronger say in managing their cultural heritage. The SSO will continue to provide advice on the development of subsidiary legislation and guidelines to support the operation of the new legislation.

### *Tjiwarl Compensation Claims*

In 2020, the Tjiwarl native title holders lodged three native title compensation claims in the Federal Court of Australia against the State for over 130 acts done in the determination area during the period 1977 to 2020. The claims proceeded together as if one matter. These are the first substantive claims for native title compensation made in Western Australia following the High Court's decision in *Timber Creek (Northern Territory v Griffiths)* [2019] HCA 7).

The Federal Court referred the claims to mediation in June 2021 and, following lengthy negotiations, the State and Tjiwarl reached in-principle agreement on the terms of a settlement package that would settle the State's compensation liability.

The State and Tjiwarl have committed to authorise and execute an Indigenous Land Use Agreement reflecting the terms of that settlement.

### *Planning and Land Valuation Review Jurisdiction*

During 2021-22, the SSO continued to provide extensive support to responsible decision making authorities of the State under review in the State Administrative Tribunal (SAT) and on numerous appeals to the Supreme Court.

As at 30 June 2022, the SSO provided advice and representation on 91 SAT review applications.

### **Western Australia's Pro Bono Model**

The Western Australian Pro Bono Model came into effect on 1 July 2020 and seeks to build strong pro bono practices with law firms who provide legal services to Government.

The Attorney General tabled the first annual report in November 2021. The report found that in 2020-21, fifteen law firms provided almost 13,000 hours, or more than \$4.8 million, in free legal support under the program.

## Our People

---

The SSO is committed to attracting and building a diverse workforce and the development of the skills and expertise of our staff.

---

### Learning and Development

#### *Continuing Professional Development (CPD)*

The SSO delivered its own CPD program in 2021-22. It held 43 professional development in-person and webinar sessions, delivered by internal and external speakers.

With the proposed changes in Uniform Law, the SSO has commenced examining future CPD options for staff.

#### *Continuing Professional Development (CPD) for Government Lawyers*

The SSO's solicitors shared their expertise and knowledge with WA public sector lawyers through the annual Whole of Government CPD conference held in October 2021.

The SSO delivered six sessions with contributions from eight speakers covering topics on administrative law, COVID directives and commercial law. Approximately 230 participants attended the conference.

The conference keeps public sector agencies informed of relevant and emerging issues that affect the WA public sector.

#### *Law Graduate Program*

The SSO offers a comprehensive program for graduates interested in a career in the law with a strong focus on public law and a commitment to delivering a range of work of the highest standard to the Attorney General, Ministers and government agencies and instrumentalities.

The law graduates rotate through all legal practice areas, under the supervision of senior legal officers. Graduates are supported by a cohort leader who provides pastoral care and career guidance. Each year the SSO has a recruitment intake of between four and eight graduates depending on attrition rates in previous years.

Law graduates acquire an operational understanding of legal matters and legal skills covering:

- a wide range of litigation matters in courts and tribunals at all levels;
- research and preparation of draft legal advice on complex matters;
- drafting commercial documentation; and
- liaising with clients in the conduct and management of matters.

#### *Bi-annual Vacation Clerkship Program*

The SSO offers law students the opportunity to undertake paid work experience as part of its bi-annual vacation clerkship program. These clerkships are available to penultimate and final year law students completing their Bachelor of Laws or Juris Doctor in Law.

The structured vacation clerkship program ensures that participants are well mentored and gain experience in as many of the SSO's practice areas as possible.

#### *Indigenous Legal Internship Program*

The SSO's Indigenous Legal Internship Program (ILIP) is an accredited course by the University of Western Australia that provides an opportunity for Aboriginal and/or Torres Strait Islander university students to undertake paid work experience within the SSO and aims to provide a solid foundation to support interns pursuing a career within law.



The ILIP is in its second year and the SSO welcomes the continued opportunity to work with the selected interns to deliver on the ILIP objectives. The SSO's Reconciliation Working Group continues to engage with a number of additional universities in Western Australia with a view to entering into similar arrangements with each of them to grow the internship opportunity.

#### *Placements and Secondments*

During 2021-22, the SSO continued to second its solicitors to State agencies to promote knowledge sharing and relationship building. Agencies included the Office of the Attorney General, Crown Casino Royal Commission, Child and Adolescent Health Service, East Metropolitan Health Service, North Metropolitan Health Service, South Metropolitan Health Service, Supreme Court of Western Australia and Western Australia Police Force.

#### *Ethical Decision Making and Inclusion*

Staff have completed training in accountable and ethical decision making, conflicts of interest, performance development, cultural awareness, disability awareness, diversity and inclusion, and critical thinking.

### **Culture, wellbeing and inclusion**

The SSO has established sub-committees to provide whole of agency input into organisational culture, wellbeing and to promote inclusion. These are the:

#### *Reconciliation Sub-committee*

The Reconciliation Sub-committee oversees the formulation and implementation of initiatives to enhance reconciliation. Anticipated outcomes include:

- increased awareness and understanding of issues affecting Aboriginal communities;
- increased opportunities for Aboriginal people to achieve social inclusion and economic independence; and

- stronger relationships with Aboriginal bodies and communities.

Key achievements of the sub-committee include the introduction of Welcome to Country and Acknowledgment of Country Guidelines, the implementation of the Indigenous Legal Internship program, and the engagement of a cultural adviser consultant for the SSO.

#### *Learning and Development Sub-committee*

The SSO Learning and Development Sub-Committee promotes excellence through ongoing professional development to enhance the capability of the SSO as government's key legal adviser.

#### *Wellbeing Sub-committee*

The SSO Wellbeing Sub-committee supports and promotes employee wellbeing through developing a range of initiatives and activities that contribute to a healthy and supportive workplace environment.



## 4. Disclosures and Legal Compliance

### Certification of financial statements

#### For the reporting period ended 30 June 2022

The accompanying financial statements of the State Solicitor's Office have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2022 and the financial position as at 30 June 2022.

At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



**Aaron Panzich**  
Acting Chief Finance Officer  
9 September 2022



**Angela Komninos**  
Acting State Solicitor  
9 September 2022

# Independent Auditor's Opinion



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 State Solicitor's Office

To the Parliament of Western Australia

## Report on the audit of the financial statements

### Opinion

I have audited the financial statements of the State Solicitor's Office (the Office) which comprise:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, for the period then ended
- Administered schedules comprising the Administered assets and liabilities at 30 June 2022 and the Administered income and expenses by service for the period then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the State Solicitor's Office for the period ended 30 June 2022 and the financial position at the end of that period
- in accordance with the Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

### Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibilities of the State Solicitor for the financial statements

The State Solicitor is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with the Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Page 1 of 5

7<sup>th</sup> Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

In preparing the financial statements, the State Solicitor is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Office.

### **Auditor's responsibilities for the audit of the financial statements**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **Report on the audit of controls**

### **Basis for qualified opinion**

I identified significant weaknesses in the design and implementation of payroll controls by the State Solicitor's Office to prevent and detect invalid and inaccurate payroll payments. Consequently, the weaknesses could result in errors such as overpayments and payments to individuals who are not entitled to receive payment.

### **Qualified opinion**

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the State Solicitor's Office. The controls exercised by the State Solicitor are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

In my opinion, in all material respects, except for the possible effect of the matter described in the Basis for qualified opinion section of my report, the controls exercised by the State Solicitor's Office are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2022.

### **The State Solicitor's responsibilities**

The State Solicitor is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

### **Auditor General's responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Limitations of controls**

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

## **Report on the audit of the key performance indicators**

### **Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the State Solicitor's Office for the period ended 30 June 2022. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the State Solicitor's Office are relevant and appropriate to assist users to assess the Office's performance and fairly represent indicated performance for the period ended 30 June 2022.

### **The State Solicitor's responsibilities for the key performance indicators**

The State Solicitor is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the State Solicitor determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the State Solicitor is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

### **Auditor General's responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **My independence and quality control relating to the report on financial statements, controls and key performance indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Other information**

The State Solicitor is responsible for the other information. The other information is the information in the entity's annual report for the period ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

### **Matters relating to the electronic publication of the audited financial statements and key performance indicators**

This auditor's report relates to the financial statements and key performance indicators of the State Solicitor's Office for the period ended 30 June 2022 included in the annual report on the Office's website. The Office's management is responsible for the integrity of the Office's website. This audit does not provide assurance on the integrity of the Office's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Grant Robinson  
Assistant Auditor General  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
20 September 2022

## Summary of Financial Statements

### Statement of comprehensive income

For the period from 1 October 2021 to 30 June 2022

	Notes	2022 (\$000)
<b>COST OF SERVICES</b>		
<b>Expenses</b>		
Employee benefits expenses	3.1(a)	30,757
Supplies and services	3.3	4,029
Depreciation and amortisation expenses	5.1.1, 5.2.1 and 5.3	217
Finance costs	7.2	15
Accommodation expenses	3.3	4,919
Grants and subsidies	3.2	4,956
Other expenses	3.3	449
<b>Total cost of services</b>		<b>45,342</b>
<b>Income</b>		
Other income	4.2	400
<b>Total income</b>		<b>400</b>
<b>Net cost of services</b>		<b>44,942</b>
<b>Income from State Government</b>		
Service appropriation	4.1	39,545
Income from other public sector entities	4.1	6,694
Resources received	4.1	2,436
<b>Total income from State Government</b>		<b>48,675</b>
<b>Surplus for the period</b>		<b>3,733</b>
<b>Other comprehensive income</b>		
Other comprehensive income		-
<b>Total other comprehensive income</b>		<b>-</b>
<b>Total comprehensive income for the period</b>		<b>3,733</b>

The Statement of comprehensive income should be read in conjunction with the accompanying notes.



## Statement of financial position

As at 30 June 2022

	Notes	2022 (\$'000)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	7.3	6,903
Receivables	6.1	2,121
Other current assets	6.3	224
<b>Total Current Assets</b>		<b>9,248</b>
<b>Non-Current Assets</b>		
Restricted cash and cash equivalents	7.3	828
Amounts receivable for services	6.2	9,088
Property, plant and equipment	5.1	583
Intangible assets	5.2	73
Right-of-use assets	5.3	330
<b>Total Non-Current Assets</b>		<b>10,902</b>
<b>Total assets</b>		<b>20,150</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Payables	6.4	1,859
Lease liabilities	7.1	218
Employee related provisions	3.1(b)	8,671
Other current liabilities	6.5	178
<b>Total Current Liabilities</b>		<b>10,926</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	7.1	118
Employee related provisions	3.1(b)	2,216
<b>Total Non-Current Liabilities</b>		<b>2,334</b>
<b>Total liabilities</b>		<b>13,260</b>
<b>Net assets</b>		<b>6,890</b>
<b>Equity</b>		
Contributed equity	9.11	3,157
Accumulated surplus		3,733
<b>Total equity</b>		<b>6,890</b>

The Statement of financial position should be read in conjunction with the accompanying notes.

## Statement of changes in equity

For the period from 1 October 2021 to 30 June 2022

	Notes	Contributed equity (\$000)	Accumulated surplus (\$000)	Total equity (\$000)
<b>Balance at 1 October 2021</b>		-	-	-
Surplus		-	3,733	3,733
Other comprehensive income		-	-	-
<b>Total comprehensive income for the period</b>		-	<b>3,733</b>	<b>3,733</b>
<i>Transactions with owners in their capacity as owners:</i>				
Transfer of net assets from the Department of Treasury	9.11	1,849	-	1,849
Capital appropriation	9.11	1,308	-	1,308
<b>Total</b>		<b>3,157</b>	<b>3,733</b>	<b>6,890</b>
<b>Balance at 30 June 2022</b>		<b>3,157</b>	<b>3,733</b>	<b>6,890</b>

The Statement of changes in equity should be read in conjunction with the accompanying notes.

## Statement of cash flows

For the period from 1 October 2021 to 30 June 2022

	Notes	2022 (\$'000)
<b>Cash flows from State Government</b>		
Service appropriation		39,349
Capital appropriation		1,308
Funds from other public sector entities		5,181
Funds transferred from Department of Justice upon transition		1,004
<b>Net cash provided by State Government</b>		<b>46,842</b>
<i>Utilised as follows:</i>		
<b>Cash flows from operating activities</b>		
<b>Payments</b>		
Employee benefits		(27,408)
Supplies and services		(1,530)
Finance costs		(15)
Accommodation		(4,861)
Grants and subsidies		(5,059)
GST payments on purchases		(1,149)
GST payments to taxation authority		(18)
Other payments		(462)
<b>Receipts</b>		
GST receipts on sales		523
GST receipts from taxation authority		557
Other receipts		409
<b>Net cash used in operating activities</b>		<b>7.3.2 (39,013)</b>
<b>Cash flows from investing activities</b>		
<b>Payments</b>		
Purchase of non-current assets		(3)
<b>Net cash used in investing activities</b>		<b>(3)</b>
<b>Cash flows from financing activities</b>		
<b>Payments</b>		
Principal elements of lease payments		(95)
<b>Net cash used in financing activities</b>		<b>(95)</b>
Net increase in cash and cash equivalents		7,731
Cash and cash equivalents at the beginning of the reporting period		-
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>7.3 7,731</b>

The Statement of cash flows should be read in conjunction with the accompanying notes.

## Administered income and expenses by service

For the period from 1 October 2021 to 30 June 2022

	General - not attributed (\$000)	Total (\$000)
<b>INCOME FROM ADMINISTERED ITEMS</b>		
<b>Income</b>		
Land Trust receipts	103,837	103,837
Suitor's fund levy	85	85
<b>Total administered income</b>	<b>103,922</b>	<b>103,922</b>
<b>Expenses</b>		
Land Trust payments	(96,871)	(96,871)
Suitor's fund payments	(43)	(43)
<b>Total administered expenses</b>	<b>(96,914)</b>	<b>(96,914)</b>

## Administered assets and liabilities

	2022 (\$000)
<b>Current assets</b>	
<u>Restricted cash and cash equivalents</u>	
Suitor's Fund	543
Land Acquisitions	6,966
<b>Total administered current assets</b>	<b>7,509</b>
<b>Current liabilities</b>	
Treasurer's Advance	2,500
<b>Total administered current liabilities</b>	<b>2,500</b>

# Notes to the financial statements

## 1. Basis of preparation

The State Solicitor's Office (SSO) is a sub-department, controlled by the State of Western Australia which is the ultimate parent. The SSO is a not-for-profit entity (as profit is not its principal objective). Prior to transitioning to a sub-department on 1 October 2021 the SSO was a division within the Department of Justice.

A description of the nature of its operations and its principal activities have been included in the Overview which does not form part of these financial statements.

These annual financial statements were authorised for issue by the accountable authority of the SSO on 9 September 2022.

## Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) The *Financial Management Act 2006* (FMA)
- 2) The Treasurer's Instructions (TI's)
- 3) Australian Accounting Standards (AASs) including applicable interpretations
- 4) Where appropriate those AAS paragraphs applicable for not-for-profit entities have been modified.

The FMA and TIs take precedence over AASs. Several AASs are modified by the TIs to vary application, disclosure format and wording. Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

## Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case, the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

## Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

## Notes to the financial statements

### Accounting for Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the Agency as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### Contributed equity

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and will be credited directly to Contributed Equity.

### Administered items

The SSO administers, but does not control, certain activities and functions for and on behalf of Government that do not contribute to the SSO's services or objectives. It does not have discretion over how it utilises the transactions in pursuing its own objectives.

Transactions relating to the administered activities are not recognised as the SSO's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered income and expenses', and 'Administered assets and liabilities'.

The accrual basis of accounting and applicable AASs have been adopted.

# Notes to the financial statements

## 2. Office outputs

### How the Office operates

This section includes information regarding the nature of funding the SSO receives and how this funding is utilised to achieve the SSO's objectives. This note also provides the distinction between controlled funding and administered funding:

	<b>Notes</b>
SSO objectives	2.1
Schedule of Income and Expenses by Service	2.2
Schedule of Assets and Liability by Service	2.3

### 2.1 SSO objectives

#### Mission

The SSO mission is to provide quality and timely legal services to Government.

The SSO is predominantly funded by State parliamentary appropriations. It also provides legal services on a fee-for-service basis in accordance with the SSO's Core Legal Work Guidelines issued in 1996. The fees charged are determined on a cost recovery basis in accordance with the Department of Treasury's Costing and Pricing Government Services Guidelines.

#### Services

The SSO provides the following service

*Service 1: Legal Services to Government*

Provide quality and timely legal services to Government.

## Notes to the financial statements

### 2.2 Schedule of income and expenses by service

For the period from 1 October 2021 to 30 June 2022

	<b>Legal services to Government 2022 (\$000)</b>
<b>Cost of services</b>	
<u>Expenses</u>	
Employee benefits expenses	30,757
Supplies and services	4,029
Depreciation and amortisation expenses	217
Finance costs	15
Accommodation expenses	4,919
Grants and subsidies	4,956
Other expenses	449
<b>Total cost of services</b>	<b>45,342</b>
<u>Income</u>	
Other income	400
<b>Total income</b>	<b>400</b>
<b>Net cost of services</b>	<b>44,942</b>
<b>Income from State Government</b>	
Service appropriation	39,545
Income from other public sector entities	6,694
Resources received	2,436
<b>Total income from State Government</b>	<b>48,675</b>
<b>Surplus for the period</b>	<b>3,733</b>

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.



## Notes to the financial statements

### 2.3 Schedule of assets and liabilities by service

As at 30 June 2022

	Legal services to Government 2022 (\$000)
<b>Assets</b>	
Current assets	9,248
Non-current assets	10,902
<b>Total assets</b>	<b>20,150</b>
<b>Liabilities</b>	
Current liabilities	10,926
Non-current liabilities	2,334
<b>Total liabilities</b>	<b>13,260</b>
<b>NET ASSETS</b>	<b>6,890</b>

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.

## 3. Use of our funding

### Expenses incurred in the delivery of services

This section provides additional information about how the SSO's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the SSO in achieving its objectives and the relevant notes are:

	Notes
Employee benefits expenses	3.1 (a)
Employee benefits provisions	3.1 (b)
Grants and subsidies	3.2
Other expenditure	3.3

## Notes to the financial statements

### 3.1 (a) Employee benefits expenses

	2022 (\$000)
Employee benefits	28,041
Superannuation - defined contribution plans	2,716
<b>Total employee benefits expenses</b>	<b>30,757</b>
Add: AASB 16 Non-monetary benefits	208
Less: Employee contributions	(71)
<b>Net employee benefits</b>	<b>30,894</b>

**Employee benefits** include salaries, accrued and paid leave entitlements for employees.

**Superannuation** comprises employer contributions paid to the Gold State Scheme (concurrent contributions), the West State Scheme, other Government Employees Superannuation Board schemes or other superannuation funds.

**AASB 16 non-monetary benefits** are non-monetary employee benefits relating to the provision of vehicle benefits that are recognised under AASB 16 which are excluded from the employee benefits expense.

**Employee contributions** are contributions made to the SSO by employees towards employee benefits that have been provided by the SSO. This includes both AASB 16 and non-AASB 16 employee contributions.

### 3.1 (b) Employee related provisions

	2022 (\$000)
<b>Current</b>	
<u>Employee benefits provisions</u>	
Annual leave	3,661
Long service leave	4,986
<u>Other provisions</u>	
Employment on-costs	24
<b>Total current employee related provisions</b>	<b>8,671</b>

## Notes to the financial statements

### 3.1 (b) Employee related provisions

#### Non-current

##### Employee benefits provisions

Long service leave	2,210
<u>Other provisions</u>	
Employment on-costs	6

<b>Total non-current employee related provisions</b>	<b>2,216</b>
--	--------------

<b>Total employee related provisions</b>	<b>10,887</b>
--	---------------

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

**Annual leave liabilities** are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	<b>2022</b>
	<b>(\$000)</b>
Within 12 months of the end of the reporting period	2,479
More than 12 months after the end of the reporting period	1,182
	<b>3,661</b>

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

**Long service leave liabilities** are unconditional long service leave provisions are classified as current liabilities as the SSO does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the SSO has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	<b>2022</b>
	<b>(\$000)</b>
Within 12 months of the end of the reporting period	1,836
More than 12 months after the end of the reporting period	5,360
	<b>7,196</b>

## Notes to the financial statements

### 3.1 (b) Employee related provisions

The provision for long service leave is calculated at present value as the SSO does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

**Employment on-costs** involve settlements of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. Employment on-costs, including workers' compensation insurance premiums, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 3.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the SSO's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	<b>2022</b>
	<b>(\$000)</b>
<b>Employment on-costs provision</b>	
Carrying amount at start of period	-
Additional provisions recognised	30
<b>Carrying amount at end of period</b>	<b>30</b>

#### Key sources of estimation uncertainty - long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the SSO's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

## Notes to the financial statements

### 3.2 Grants and subsidies

	2022 (\$000)
<u>Recurrent</u>	
Legal costs on behalf of the State	3,270
Mesothelioma settlements	869
Act of grace payments	817
<b>Total grants and subsidies</b>	<b>4,956</b>

Transactions in which the SSO provides services to another party without receiving approximately equal value in return are categorised as 'Grant or subsidy expenses'. These payments or transfers are recognised at fair value at the time of the transaction and are recognised as an expense in the reporting period in which they are paid.

They include transactions such as personal benefit payments made in cash to individuals as part of settlement, their legal representatives or other payments made on behalf of the State.

### 3.3 Other expenses

	2022 (\$000)
<b>Supplies and Services</b>	
Communications	70
Consultants and contractors	651
Resources received free of charge	2,436
Consumables	379
Software licences	433
Travel	60
<b>Total supplies and services expenses</b>	<b>4,029</b>
<b>Accommodation expenses</b>	
Office rental	4,770
Electricity and water	54
Repairs and maintenance	6
Cleaning	89
<b>Total accommodation expenses</b>	<b>4,919</b>

**Supplies and services expenses** are recognised as an expense in the reporting period in which they are incurred.

**Office rental** is expensed as incurred as the Memorandum of Understanding Agreement between the SSO and the Department of Finance for the leasing of office accommodation contain significant substitution rights.

## Notes to the financial statements

### 3.3 Other expenses

#### Other expenses

Equipment repairs and maintenance	2
Employee on-costs	222
Other staffing costs	56
Motor vehicle expenses	71
Insurance	30
Other	59
Advertising and promotion	9

---

<b>Total other expenses</b>	<b>449</b>
-----------------------------	------------

---

<b>Total other expenditure</b>	<b>9,397</b>
--------------------------------	--------------

---

**Other operating expenses** generally represent the day to day running costs incurred in normal operations.

**Repairs and maintenance costs** are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

**Employee on-cost** includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at note 3.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

## 4. Our funding sources

### How we obtain our funding

This section provides additional information about how the SSO obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the SSO and the relevant notes are:

	Notes
Income from State Government	4.1
Other income	4.2

## Notes to the financial statements

### 4.1 Income from State Government

	2022 (\$'000)
Appropriation received during the period	
- Service appropriation	36,535
- Salaries and Allowances Act 1975	2,541
- Solicitor General Act 1969	446
- Suitor's Fund 1964	23
<b>Total service appropriation received</b>	<b>39,545</b>
Income received from other public sector entities during the period	
- Legal services	4,380
- National Redress Scheme	2,306
- Cost recoveries	8
<b>Total income from other public sector entities</b>	<b>6,694</b>
Resources received from other public sector entities during the period	
- Department of Finance (Accommodation depreciation)	268
- Department of Justice (Corporate Support)	2,168
<b>Total resources received</b>	<b>2,436</b>
<b>Total income from State Government</b>	<b>48,675</b>

**Service Appropriations** are recognised as income at the fair value of consideration received in the period in which the SSO gains control of the appropriated funds. The SSO gains control of the appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at Treasury.

**Income from other public sector entities** are recognised as income when the SSO has satisfied its performance obligations. If there is no performance obligation, income will be recognised when the SSO receives the funds.

**National Redress Scheme** is in response to the Royal Commission into Institutional Responses to Child Sexual Abuse. The Western Australian Government's participation in the National Redress Scheme will recognise and provide support to Western Australians who have experienced child sexual abuse in institutions.

**Resources received from other public sector entities** is recognised as income equivalent to the fair value of services received that can be reliably determined and which would have been purchased if not donated.

## Notes to the financial statements

### Summary of consolidated account appropriations

For the period 1 October 2021 to 30 June 2022

	2022 Budget (\$000)	2022 Supplementary Funding (\$000)	2022 Revised Budget (\$000)	2022 Actual (\$000)	2022 Variance (\$000)
<u>Delivery of Services</u>					
Item 63 Net amount appropriated to deliver services	29,239	7,164	36,403	36,403	-
Section 25 Transfer of service appropriation <sup>(a)</sup>	-	132	132	132	-
Amounts Authorised by Other Statutes					
- <i>Salaries and Allowances Act 1975</i>	2,541	-	2,541	2,541	-
- <i>Solicitor General Act 1969</i>	446	-	446	446	-
- <i>Suitor's Fund Act 1964</i>	23	-	23	23	-
<b>Total appropriations provided to deliver services</b>	<b>32,249</b>	<b>7,296</b>	<b>39,545</b>	<b>39,545</b>	<b>-</b>
<u>Capital</u>					
Item 131 Capital appropriation	101	9	110	110	-
Digital Capability Fund <sup>(b)</sup>	-	1,198	1,198	1,198	-
<b>GRAND TOTAL</b>	<b>101</b>	<b>1,207</b>	<b>1,308</b>	<b>1,308</b>	<b>-</b>

<sup>(a)</sup> Funding was transferred from the Office of the Director of Public Prosecutions to the SSO to support the assessment and determination of new referrals from the High Risk Serious Offenders Review Committee in accordance with the *High Risk Serious Offenders Act 2020*.

<sup>(b)</sup> The SSO was successful in obtaining capital appropriation from the Digital Capability Fund for the implementation of a new Legal Practice Management System.



## Notes to the financial statements

### 4.2 Other income

		2022 (\$000)
Employee contributions	3.1 (a)	71
Legal cost recoups		329
<b>Total other income</b>		<b>400</b>

**Employee contributions** relate to payments made by employee participants of the Department of Finance's Senior Officer Vehicle Scheme (SOVS). Contributions are recognised as income when they are received.

**Legal cost recoups** relate to costs awarded to the SSO on the finalisation of matters and are recognised when the funds are transferred to the SSO's operating account.

### 5. Key assets

This section includes information regarding the key assets the SSO utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes
Property, plant and equipment	5.1
Intangible assets	5.2
Right-of-use assets	5.3

#### 5.1 Property, plant and equipment

Period ended 30 June 2022	Leasehold improvements (\$000)	Office equipment (\$000)	Total (\$000)
Carrying amount at start of period	-	-	-
Transfers <sup>(a)</sup>	390	277	667
Additions	3	-	3
Depreciation	(28)	(59)	(87)
<b>Carrying amount at 30 June 2022</b>	<b>365</b>	<b>218</b>	<b>583</b>
Gross carrying amount	393	277	670
Accumulated depreciation	(28)	(59)	(87)

<sup>(a)</sup> During the reporting period, office equipment and leasehold improvements attributed to the SSO when it was a business unit of the Department of Justice were transferred to the sub-department through the Department of Treasury.

## Notes to the financial statements

### 5.1 Property, plant and equipment

#### Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition.

Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of comprehensive income (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

#### Subsequent measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

#### 5.1.1 Depreciation and impairment charge for the period

	Notes	2022 (\$000)
<u>Depreciation</u>		
Office equipment	5.1	59
Leasehold improvements	5.1	28
<b>Total depreciation for the period</b>		<b>87</b>

As at 30 June 2022, there were no indications of impairment to property, plant and equipment.

#### Useful lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Estimated useful lives for the different asset classes for the current period are included in the table below:

Asset	Useful life
Office equipment	5 - 10 years
Leasehold improvements	Remaining life of lease

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

## Notes to the financial statements

### 5.1.1 Depreciation and impairment charge for the period

#### Impairment

Property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life.

Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

### 5.2 Intangible assets

Period ended 30 June 2022	Computer Software (\$000)
<b>Carrying amount at start of period</b>	<b>-</b>
Transfers <sup>(a)</sup>	104
Amortisation expense	(31)
<b>Carrying amount at 30 June 2022</b>	<b>73</b>
Gross carrying amount	104
Accumulated amortisation	(31)

<sup>(a)</sup> During the reporting period, computer software attributed to the SSO when it was a business unit of the Department of Justice were transferred to the sub-department through the Department of Treasury.

## Notes to the financial statements

### 5.2 Intangible assets

#### Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) an intention to complete the intangible asset, and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) the intangible asset will generate probable future economic benefit;
- (e) the availability of adequate technical, financial and other resources to complete the development
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$5,000 or more that comply with the recognition criteria of AASB 138.57 Intangible Assets (as noted above), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of comprehensive income.

#### Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

#### 5.2.1 Amortisation and impairment charge for the period

	<b>2022</b>
	<b>(\$000)</b>
Computer software	31
<b>Total amortisation for the period</b>	<b>31</b>

As at 30 June 2022 there were no indications of impairment to intangible assets.

The SSO held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

## Notes to the financial statements

### 5.2.1 Amortisation and impairment charge for the period

Amortisation of finite life intangible assets is calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the SSO have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Asset	Useful life
Computer software	5 years

Software recorded as an intangible asset is not integral to the operation of any related hardware.

### Impairment of intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1.1.

### 5.3 Right-of-use assets

Period ended 30 June 2022	Motor Vehicles (\$000)
<b>Carrying amount at start of period</b>	-
Transfers <sup>(a)</sup>	392
Additions	37
Depreciation expense	(99)
<b>Carrying amount at 30 June 2022</b>	<b>330</b>
Gross carrying amount	429
Accumulated depreciation	(99)

<sup>(a)</sup> During the reporting period, motor vehicles attributed to the SSO when it was a business unit of the Department of Justice were transferred to the sub-department through the Department of Treasury.

## Notes to the financial statements

### 5.3 Right-of-use assets

#### Initial recognition

At the commencement date of the lease, the SSO recognises right-of-use assets measured at cost comprising of:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs, including dismantling and removing the underlying asset.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 7.2 Lease liabilities

#### Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

#### Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the SSO at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1.

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	<b>2022</b>
	<b>(\$000)</b>
Depreciation expenses of right-of-use assets	99
Lease interest expense	15

The total cash outflow for leases in 2022 was \$94,516. As at 30 June 2022 there were no indications of impairment to right-of-use assets.

## Notes to the financial statements

### 5.3 Right-of-use assets

The SSO has leased motor vehicles with the Department of Finance (State Fleet).

The SSO has also entered into a Memorandum of Understanding Agreements (MOU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred. The Office holds no other leases.

The SSO recognises leases as right-of-use assets and associated lease liabilities in the Statement of financial position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 7.1.

## 6. Other assets and liabilities

This section sets out those assets and liabilities that arose from the SSO's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	<b>Notes</b>
Receivables	6.1
Amounts receivable for services (Holding Account)	6.2
Other assets	6.3
Payables	6.4
Other current liabilities	6.5

### 6.1 Receivables

	<b>2022</b>
	<b>(\$000)</b>
<u>Current</u>	
Trade receivables	1,294
Accrued revenue	639
Other debtors	81
GST receivable	107
<b>Total current</b>	<b>2,121</b>
<b>Total receivables</b>	<b>2,121</b>

Trade receivables are initially recognised at their transaction price. The SSO holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

## Notes to the financial statements

### 6.1 Receivables

The SSO recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit or loss. The ECLs based on the difference between the contractual cash flows and the cash flows that the SSO expects to receive, discounted at the original effective interest rate. Individual receivables are written off when the SSO has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, the SSO recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. The SSO has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 8.1 for the amount of ECLs expensed in this financial period.

For 2021-22 there was no recognition of impairment or ECL. The SSO's clients comprise of other WA State Government departments and agencies and are therefore considered to represent a low credit risk.

### 6.2 Amount receivable for services (Holding Account)

	2022 (\$000)
Non-current	9,088
<b>Total amounts receivable for services</b>	<b>9,088</b>

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The amounts receivable for services are financial assets at amortised cost, and are not considered impaired (i.e. there is no expected credit loss of the holding accounts).

### 6.3 Other current assets

	2022 (\$000)
<u>Current</u>	
Prepayments	224
<b>Total current</b>	<b>224</b>
<b>Total other assets at end of period</b>	<b>224</b>



## Notes to the financial statements

### 6.4 Payables

	2022 (\$000)
<u>Current</u>	
Accrued expenses	534
Accrued salaries	1,325
<b>Total payables at end of period</b>	<b>1,859</b>

**Accrued expenses** represent the amount due to service providers for services provided during the reporting period that have yet to be invoiced to the SSO.

**Accrued salaries** represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The SSO considers the carrying amount of accrued salaries to be equivalent to its fair value.

### 6.5 Other liabilities

	2022 (\$000)
<u>Current</u>	
Income in advance	176
Other payables	2
<b>Total other liabilities at end of period</b>	<b>178</b>

**Income in advance** represent funds received from clients before the SSO has met its performance obligation to receive those funds. The liability is unwound as Legal services fee revenue once the SSO performs its performance obligations through the Statement of comprehensive income.

## 7. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the SSO.

	Notes
7.1 Lease liabilities	7.1
7.2 Finance costs	7.2
7.3 Cash and cash equivalents	7.3

## Notes to the financial statements

### 7.1 Lease liabilities

	<b>2022</b>
	<b>(\$000)</b>
Current	218
Non-current	118
	<b>336</b>

#### Initial measurement

At the commencement date of the lease, the SSO recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the SSO uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the SSO as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options (where these are reasonably certain to be exercised);
- payments for penalties for terminating a lease, where the lease term reflects the agency exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right of use asset.

Periods covered by extension or termination options are only included in the lease term by the SSO if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the SSO in profit or loss in the period in which the condition that triggers those payment occurs

This section should be read in conjunction with note 5.3.

## Notes to the financial statements

### 7.1 Lease liabilities

#### Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

### 7.2 Finance costs

	2022 (\$000)
Lease interest expense	15
	<b>15</b>

Finance cost reflects the interest component of lease liability repayments.

### 7.3 Cash and cash equivalents

#### 7.3.1 Reconciliation of cash

	2022 (\$000)
Cash and cash equivalents	6,903
Restricted cash and cash equivalents	828
	<b>7,731</b>

#### Restricted cash and cash equivalents

##### Non-current

Accrued salaries suspense account <sup>(a)</sup>	828
--	-----

<sup>(a)</sup> Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand which are subject to insignificant risk of changes in value.

The accrued salaries suspense account consists of amounts paid annually, from SSO appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

## Notes to the financial statements

### 7.3.2 Reconciliation of net cost of services to net cash flows used in operating activities

	Notes	2022 (\$000)
Net cost of services		(44,942)
<b>Non-cash items</b>		
Depreciation and amortisation expense	5.1.1, 5.2.1 and 5.3	217
Resources received	3.3 and 4.1	2,436
<b>(Increase)/decrease in assets</b>		
Receivables <sup>(a)</sup>		(323)
Other current assets		(224)
<b>Increase/(decrease) in liabilities</b>		
Payables		1,836
Employee provisions		2,072
Net GST receipts/(payments) <sup>(b)</sup>		22
Change in GST in receivables/payables <sup>(c)</sup>		(107)
<b>Net cash used in operating activities</b>		<b>(39,013)</b>

<sup>(a)</sup> Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST are not included in these items as they do not form part of the reconciling items.

<sup>(b)</sup> This is the net GST paid/received, i.e. cash transactions.

<sup>(c)</sup> This reverses out the GST in receivables and payables.

## 8. Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of the SSO.

	Notes
Financial risk management	8.1
Contingent assets and liabilities	8.2

## Notes to the financial statements

### 8.1 Financial risk management

Financial instruments held by the SSO are cash and cash equivalents, restricted cash and cash equivalents, receivables, payables, and finance leases. The Office has limited exposure to financial risks. The SSO's overall risk management program focuses on managing the risks identified below.

#### (a) Summary of risks and risk management

##### Credit risk

Credit risk arises when there is the possibility of the SSO's receivables defaulting on their contractual obligations resulting in financial loss to the SSO.

Credit risk associated with the SSO's financial assets is minimal because the main receivable is for legal services charges to other WA State Government entities or the amounts receivable for services (holding account). In addition, receivable balances are monitored on an ongoing basis with the result that the SSO's exposure to bad debts is minimal. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

##### Liquidity risk

Liquidity risk arises when the SSO is unable to meet its financial obligations as they fall due.

The SSO is exposed to liquidity risk through its trading in the normal course of business.

The SSO has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

##### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the SSO's income or the value of its holdings of financial instruments. The SSO does not trade in foreign currency and is not materially exposed to other price risks. The SSO's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations.

The SSO is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and the SSO has no borrowings.

## Notes to the financial statements

### (b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	<b>Notes</b>	<b>2022 (\$000)</b>
<b>Financial assets</b>		
Cash and cash equivalents		7,731
Financial assets at amortised cost <sup>(a)</sup>		11,102
<b>Total financial assets</b>		<b>18,833</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost <sup>(b)</sup>		2,373
<b>Total financial liability</b>		<b>2,373</b>

<sup>(a)</sup> The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

<sup>(b)</sup> The amount of financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

## Notes to the financial statements

### (c) Credit risk exposure

The following table details the credit risk exposure on the SSO's trade receivables using a provision matrix.

	Total (\$000)	Days past due				
		Current (\$000)	< 30 days (\$000)	30 - 60 (\$000)	61 - 90 (\$000)	> 91 days (\$000)
<b>30 June 2022</b>						
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	1,294	803	486	-	-	5
Expected credit losses	-	-	-	-	-	-

The SSO has elected to record no expected credit loss for 2021-22 as the SSO's debtors are other WA State Government entities which represent a low credit-risk.

## Notes to the financial statements

### (d) Liquidity risk and Interest rate exposure

The following table details the SSO's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

#### Interest rate exposure and maturity analysis of financial assets and financial liabilities

2022	Weighted average effective interest rate	Interest rate exposure				Maturity dates				
		Carrying amount	Fixed interest rate	Non interest bearing	Nominal amount	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
<u>Financial assets</u>										
Cash and cash equivalents	0.00%	6,903	-	6,903	6,903	6,903	-	-	-	-
Restricted cash and cash equivalents	0.00%	828	-	828	828	828	-	-	-	-
Receivables <sup>(a)</sup>	-	2,014	-	2,014	2,014	2,014	-	-	-	-
Amounts receivable for services	-	9,088	-	9,088	9,088	-	-	-	196	8,892
<b>Total financial assets</b>		<b>18,833</b>	<b>-</b>	<b>18,833</b>	<b>18,833</b>	<b>9,745</b>	<b>-</b>	<b>-</b>	<b>196</b>	<b>8,892</b>
<u>Financial liabilities</u>										
Payables	-	1,859	-	1,859	1,859	1,859	-	-	-	-
Other current liabilities	-	178	-	178	178	178	-	-	-	-
Lease liabilities	5.10%	336	336	-	365	11	23	99	231	1
<b>Total financial liabilities</b>		<b>2,373</b>	<b>336</b>	<b>2,037</b>	<b>2,402</b>	<b>2,048</b>	<b>23</b>	<b>99</b>	<b>231</b>	<b>1</b>

<sup>(a)</sup> The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

### (e) Interest rate sensitivity analysis

The SSO's financial assets are not subject to exposure to interest rate changes.



## Notes to the financial statements

### 8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### 8.2.1 Contingent assets

The SSO has no contingent assets as at the end of the reporting period.

#### 8.2.2 Contingent liabilities

The SSO has no contingent liabilities as at the end of the reporting period.

## 9. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	<b>Notes</b>
Events occurring after the end of the reporting period	9.1
Changes in accounting policy	9.2
Future impact of Accounting Standards not yet operative	9.3
Key management personnel	9.4
Related party transactions	9.5
Related bodies	9.6
Affiliated bodies	9.7
Special purpose accounts	9.8
Remuneration of auditors	9.9
Equity	9.10
Supplementary financial information	9.11

### 9.1 Events occurring after the end of the reporting period

There have been no adjusting or non-adjusting events occurring between the end of the reporting period and the date in which these financial statements are issued that have a material impact on these disclosures.

### 9.2 Changes in accounting policy

There has been no changes in accounting policy during the reporting period.

## Notes to the financial statements

### 9.3 Future impact of Accounting Standards not yet operative

The SSO cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. Where applicable, the SSO plans to apply the following Australian Accounting Standards from their application date.

		<b>Operative for reporting periods beginning on/after</b>
<i>AASB 17</i>	<i>Insurance Contracts</i>	
	This Standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts.	<b>1 January 2023</b>
	There is no financial impact.	
<i>AASB 2020-1</i>	<i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i>	
	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.	<b>1 January 2023</b>
	There is no financial impact.	

## Notes to the financial statements

### 9.3 Future impact of Accounting Standards not yet operative

		<b>Operative for reporting periods beginning on/after</b>
AASB 2020-3	<i>Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments</i>	
	<p>This Standard amends: (a) AASB 1 to simplify the application of AASB 1; (b) AASB 3 to update a reference to the Conceptual Framework for Financial Reporting; (c) AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability; (d) AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset; (e) AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making; and (f) AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value.</p> <p>There is no financial impact.</p>	<b>1 January 2022</b>
AASB 2020-6	<i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i>	
	<p>This Standard amends AASB 101 to defer requirements for the presentation of liabilities in the statement of financial position as current or non-current that were added to AASB 101 in AASB 2020-1.</p> <p>There is no financial impact.</p>	<b>1 January 2022</b>

## Notes to the financial statements

### 9.3 Future impact of Accounting Standards not yet operative

		<b>Operative for reporting periods beginning on/after</b>
<b>AASB 2021-2</b>	<i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	
	<p>This Standard amends: (a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; (b) AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies; (c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; (d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and (e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p> <p>There is no financial impact.</p>	<b>1 January 2023</b>
<b>AASB 2021-6</b>	<i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</i>	
	<p>This standard amends This standard amends: (a) AASB 1049, to require entities to disclose their material accounting policy information rather than their significant accounting policies; (b) AASB 1054 to reflect the updated accounting policy terminology used in AASB 101 Presentation of Financial Statements; and (c) AASB 1060 to required entities to disclose their material accounting policy information rather than their significant accounting policy and to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements.</p> <p>There is no financial impact.</p>	<b>1 January 2023</b>

## Notes to the financial statements

### 9.4 Key management personnel

The SSO has determined key management personnel to include cabinet ministers and senior officers of the Office. The Office does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the SSO for the reporting period are presented within the following bands:

<b>Compensation band (\$)</b>	<b>2022</b>
\$380,001 - \$390,000	2
\$330,001 - \$340,000	1
\$320,001 - \$330,000	3
\$220,001 - \$230,000	2
\$200,001 - \$210,000	1
\$160,001 - \$170,000	1
\$110,001 - \$120,000	1
\$90,001 - \$100,000	1
\$0 - \$10,000	1
	<b>2022</b>
	<b>(\$000)</b>
Short-term employee benefits	3,025
Other long-term benefits	71
<b>Total compensation of senior officers</b>	<b>3,096</b>

Total compensation includes the superannuation expense incurred by the SSO in respect of senior officers.

### 9.5 Related party transactions

The SSO is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of the SSO include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- • all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

## Notes to the financial statements

### 9.5 Related party transactions

#### Significant transactions with Government-related entities

In conducting its activities, the SSO is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Significant transactions include:

- service appropriation (Note 4.1);
- • capital appropriation (Note 9.11);
- superannuation contributions to GESB (Note 3.1(a));
- amounts due to the Treasurer (Note 9.8); and
- remuneration for services provided by the Auditor General (Note 9.9).

#### Material transactions with other related parties

Outside of normal citizen type transactions with the SSO, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

### 9.6 Related bodies

A related body is a body that receives more than half of its funding and resources from an entity and is subject to operational control by that entity.

The SSO has no related bodies during the financial period.

### 9.7 Affiliated bodies

An affiliated body is a body that receives more than half its funding and resources from an entity but is not subject to operational control by that entity.

The SSO has no affiliated bodies during the financial period.

### 9.8 Special purpose account

#### *The Suitor's Fund*

Established under section 16(1)(c) of FMA, the purpose of this account is to hold funds, in accordance with section 4 of the *Suitor's Fund Act 1964* (The Act), to meet the liability for costs of certain litigation and for incidental and other purposes pursuant to the Act.

	<b>2022</b>
	<b>(\$000)</b>
Balance as at 1 October 2021	501
Receipts	85
Payments	(43)
<b>Balance at end of period</b>	<b>543</b>

## Notes to the financial statements

### 9.9 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial period is as follows:

	<b>2022</b>
	<b>(\$000)</b>
Auditing the accounts, financial statements, controls, and key performance indicators	72

### 9.10 Services provided free of charge

The SSO's key service is to provide timely and quality legal services to Government. Legal services provided to WA State Government entities free of charge during the reporting period were:

	<b>2022</b>
	<b>(\$000)</b>
Department of Premier and Cabinet	3,514
Department of Communities	3,046
Other	2,213
Western Australia Police Force	1,844
Department of Planning, Lands and Heritage	1,659
Department of Mines, Industry Regulation and Safety	1,630
Department of Water and Environment Regulation	1,558
Main Roads WA	1,509
Department of Justice	1,318
Department of Jobs, Tourism, Science and Innovation	1,033
Department of Finance	897
Department of Local Government, Sports and Cultural Industries	786
Public Transport Authority	652
Department of Primary Industries and Regional Development	603
Department of Health	538
Department of Biodiversity, Conservation and Attractions	509
Insurance Commission of Western Australia	501
Department of Education	488
Department of Treasury	386
Western Australian Electoral Commission	323
Department of Transport	308
East Metropolitan Health Service	301
Workcover WA	299
Child and Adolescent Health Service	295
South Metropolitan Health Service	256
WA Country Health Service	248
Department of Fire and Emergency Services	230
<b>Balance at end of period</b>	<b>26,944</b>

## Notes to the financial statements

### 9.11 Equity

	2022 (\$000)
<b>Contributed equity</b>	
Balance at start of period	-
<i>Transactions with owners in their capacity as owners:</i>	
Transfer of net assets from the Department of Treasury	1,849
Capital appropriation	1,308
<b>Total contributed equity at end of period</b>	<b>3,157</b>

### 9.12 Supplementary financial information

#### (a) Write-offs

During the financial period there were no write-offs.

#### (b) Losses through theft, defaults and other causes

During the financial period there were no losses through theft, defaults or other causes.

#### (c) Forgiveness of debts

During the financial period there were no forgiveness of debts.

#### (d) Gifts of public property

During the financial period there were no gifts of public property.

## 10. Explanatory Statements

### 10.1 Explanatory statement for controlled operations

This explanatory section explains variations in the financial performance of the SSO undertaking transactions under its own control, as represented by the primary financial statements for the period 1 October 2021 to 30 June 2022.

In accordance with TI 945 Explanatory Statement variances are to be reported against the original published budget per the SSO's Division of the Consolidated Account Estimates and the prior period actual. The SSO's original budget includes the period 1 July to 30 September 2021 where the SSO was under the operational control of the Department of Justice.

TI 952 General Information in Financial Statements allows the State Solicitor in their capacity as the SSO's accountable authority, by way of note, to adjust reporting requirements in accordance with Treasurer's Instructions where necessary for fair and accurate representation of the SSO's performance. No prior period actual will be reported as the SSO was a business unit of the Department of Justice and the original budget for the below reporting purposes is the component that relates solely to the SSO as a sub-department for the period 1 October 2021 to 30 June 2022.



## Notes to the financial statements

### 10.1 Explanatory statement for controlled operations

All variances between annual estimates of the sub-department and actual results for 2022 are shown below. Narratives are provided for key major variances which vary more than the dollar aggregate of:

- \$417,320 for the Statements of comprehensive income and Statement of cash flows
- \$131,900 for the Statement of financial position

TI 945 Explanatory Statement excludes variances relating to cash assets, receivables, payables, contributed equity, accumulated surplus and asset revaluation surplus from the definition of a major variance for disclosure purposes.

#### 10.1.1 Statement of comprehensive income variances for the period 1 October 2021 to 30 June 2022

	Variance note	Estimate 2022 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)
<b>Expenses</b>				
Employee benefits expenses	A	31,434	30,757	(677)
Supplies and services	B	4,890	4,029	(861)
Depreciation and amortisation expenses		196	217	21
Finance costs		13	15	2
Accommodation expenses		4,861	4,919	58
Grants and subsidies	C	-	4,956	4,956
Other expenses		338	449	111
<b>Total cost of services</b>		<b>41,732</b>	<b>45,342</b>	<b>3,610</b>
<b>Income</b>				
Other income		686	400	(286)
<b>Total income</b>		<b>686</b>	<b>400</b>	<b>(286)</b>
<b>Net cost of services</b>		<b>41,046</b>	<b>44,942</b>	<b>3,896</b>
<b>Income from State Government</b>				
Service appropriation	D	31,434	39,545	8,111
Income from other public sector entities	E	7,393	6,694	(699)
Resources received		2,219	2,436	217
<b>Total income from State Government</b>		<b>41,046</b>	<b>48,675</b>	<b>7,629</b>

## Notes to the financial statements

### 10.1.1 Statement of comprehensive income variances for the period 1 October 2021 to 30 June 2022

Variance note	Estimate 2022 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)
<b>Surplus for the period</b>	-	3,733	3,733
<b>Other comprehensive income</b>			
Other comprehensive income	-	-	-
<b>Total other comprehensive income</b>	-	-	-
<b>Total comprehensive income for the period</b>	-	3,733	3,733

#### Major estimate and actual (2022) variance narratives:

- A Underspend in employee benefits is a result of cost recovery arrangements for staff performing work that would otherwise be recovered as legal services revenue, vacant positions during the financial period due to the SSO reviewing its structure, and the engagement of temporary contractors that would otherwise be recruited for to meet the SSO's short term needs. The SSO has ceased adhoc recovery arrangements from 1 April 2022 and is reviewing its practices to ensure that permanent recruitment is performed where possible.
- B Underspend in supplies and services is a result of underspends in computer software and licencing, IT purchases and communications costs as the SSO undertakes a review of its IT capability and requirements as a sub-department in collaboration with the Department of Justice, an underspend in staff travel and underspends for legal matters.
- C Grants and subsidies represent legal costs the SSO incurs on behalf of the State, such costs are often subject to uncertainty around quantum and timing, and therefore are recovered through the supplementary funding process.
- D The SSO received a further \$7.2m for legal costs on behalf of the State, \$491k to support the Office's High Risk Serious Offenders team and \$420k to support fixed term legal work in relation to the COVID-19 pandemic.
- E The revenue target transferred by the Department of Justice was substantially higher than what had been achieved for the past four years as a business unit of the Department of Justice. Post transition, the SSO requested a revision down of its revenue targets in the 2022-23 Budget process for 2022-23 and the forward estimates. The Department of Treasury approved the revision for 2022-23. Further corrective actions are being worked on with the Department of Treasury.

## Notes to the financial statements

### 10.1.2 Statement of financial position variances As at 30 June 2022

	Variance note	Estimate 2022 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)
<b>Assets</b>				
Current Assets				
Cash and cash equivalents		301	6,903	6,602
Receivables		516	2,121	1,605
Other current assets	A	44	224	180
<b>Total Current Assets</b>		<b>861</b>	<b>9,248</b>	<b>8,387</b>
<b>Non-Current Assets</b>				
Restricted cash and cash equivalents		797	828	31
Amounts receivable for services		9,090	9,088	(2)
Property, plant and equipment		618	583	(35)
Intangible assets	B	373	73	(300)
Right-of-use assets		234	330	96
<b>Total Non-Current Assets</b>		<b>11,112</b>	<b>10,902</b>	<b>(210)</b>
<b>Total assets</b>		<b>11,973</b>	<b>20,150</b>	<b>8,177</b>
<b>Liabilities</b>				
Current Liabilities				
Payables		967	1,859	892
Lease liabilities	C	114	218	104
Employee related provisions	D	7,206	8,671	1,465
Other current liabilities	E	-	178	178
<b>Total Current Liabilities</b>		<b>8,287</b>	<b>10,926</b>	<b>2,639</b>
<b>Non-Current Liabilities</b>				
Lease liabilities	C	128	118	(10)
Employee related provisions	D	1,608	2,216	608
<b>Total Non-Current Liabilities</b>		<b>1,736</b>	<b>2,334</b>	<b>598</b>
<b>Total liabilities</b>		<b>10,023</b>	<b>13,260</b>	<b>3,237</b>
<b>Net assets</b>		<b>1,950</b>	<b>6,890</b>	<b>4,940</b>

## Notes to the financial statements

### 10.1.2 Statement of financial position variances As at 30 June 2022

	Variance note	Estimate 2022 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)
<b>Equity</b>				
Contributed equity		1,950	3,157	1,207
Accumulated surplus		-	3,733	3,733
<b>Total equity</b>		<b>1,950</b>	<b>6,890</b>	<b>4,940</b>

#### Major estimate and actual (2022) variance narratives:

- A Other current assets represents further prepayments made than anticipated in relation to software licencing.
- B Intangible asset estimate included anticipated works in progress that were postponed due to the SSO's review of its ICT systems.
- C Lease liabilities relate to the SSO's fleet, the variance between non-current and current is indicative of the SSO's fleet being extended beyond the existing lease terms.
- D Employee related provisions are greater than estimate due to the accrual of pro-rata long service leave that officers are yet to be entitled to utilise and reduced leave taken by employees during the period to meet increased demand for legal services.
- E Other current liabilities reflects revenue received upon which there are outstanding performance obligations.

## Notes to the financial statements

### 10.1.3 Statement of cash flow variances

For the period from 1 October 2021 to 30 June 2022

	Variance note	Estimate 2022 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)
<b>Cash flows from State Government</b>				
Service appropriation	A	31,239	39,349	8,110
Capital appropriation	B	101	1,308	1,207
Funds from other public sector entities	C	7,393	5,181	(2,212)
Funds transferred from Department of Justice		1,262	1,004	(258)
<b>Net cash provided by State Government</b>		<b>39,995</b>	<b>46,842</b>	<b>6,847</b>
<i>Utilised as follows:</i>				
<b>Cash flows from operating activities</b>				
<b>Payments</b>				
Employee benefits	D	(31,298)	(27,408)	3,890
Supplies and services	E	(2,671)	(1,530)	1,141
Finance costs		(13)	(15)	(2)
Accommodation		(4,861)	(4,861)	0
Grants and subsidies	F	-	(5,059)	(5,059)
GST payments on purchases	G	-	(1,149)	(1,149)
GST payments to taxation authority	G	-	(18)	(18)
Other payments		(338)	(462)	(124)
<b>Receipts</b>				
GST receipts on sales	G	-	523	523
GST receipts from taxation authority	G	-	557	557
Other receipts		686	409	(277)
<b>Net cash used in operating activities</b>		<b>(38,495)</b>	<b>(39,013)</b>	<b>(518)</b>
<b>Cash flows from investing activities</b>				
<b>Payments</b>				
Purchase of non-current assets		(301)	(3)	298
<b>Net cash used in investing activities</b>		<b>(301)</b>	<b>(3)</b>	<b>298</b>
<b>Cash flows from financing activities</b>				
<b>Payments</b>				
Principal elements of lease payments		(101)	(95)	6
<b>Net cash used in financing activities</b>		<b>(101)</b>	<b>(95)</b>	<b>6</b>

## Notes to the financial statements

### 10.1.3 Statement of cash flow variances

For the period from 1 October 2021 to 30 June 2022

Variance note	Estimate 2022 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)
Net increase in cash and cash equivalents	1,098	7,731	6,633
Cash and cash equivalents at the beginning of the reporting period	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,098</b>	<b>7,731</b>	<b>6,633</b>

#### Major estimate and actual (2022) variance narratives:

- A The SSO received a further \$7.2m for legal costs on behalf of the State, \$491k to support the Office's High Risk Serious Offenders team and \$420k to support fixed term legal work in relation to the COVID-19 pandemic.
- B The SSO was successful in securing \$1.2m of capital appropriation through the Digital Capability Fund for the replacement of the SSO's legal management system.
- C The revenue target transferred by the Department of Justice was substantially higher than what had been achieved for the past four years as a business unit of the Department of Justice. Post transition, the SSO requested a revision down of its revenue targets in the 2022-23 Budget process for 2022-23 and the forward estimates. The Department of Treasury approved the revision for 2022-23. Further corrective actions are being worked on with the Department of Treasury. Furthermore, as the SSO's debtors are WA State Government entities it is anticipated that receivables are received within 20 days. For a variety of reasons this expectation is not always met and the SSO continues to follow up regarding late payments.
- D Underspend in employee benefits is a result of cost recovery arrangements for staff performing work that would otherwise be recovered as legal services revenue, vacant positions during the financial period due to the SSO reviewing its structure, and the engagement of temporary contractors that would otherwise be recruited for to meet the SSO's short term needs. The SSO has ceased adhoc recovery arrangements from 1 April 2022 and is reviewing its practices to ensure that permanent recruitment is performed where possible.
- E Underspend in supplies and services is a result of underspends in computer software and licencing, IT purchases and communications costs as the SSO undertakes a review of its IT capability and requirements as a sub-department in collaboration with the Department of Justice, an underspend in staff travel and underspends for legal matters.
- F Grants and subsidies represent legal costs the SSO incurs on behalf of the State, such costs are often subject to uncertainty around quantum and timing, and therefore are recovered through the supplementary funding process.
- G GST is payable to and receivable from the Australian Taxation Office. For budgetary purposes GST has been excluded.

## Notes to the financial statements

### 10.2 Explanatory statement for administered items

This explanatory section explains variations in the financial performance of the SSO undertaking transactions as an agent of the government, as detailed in the administered schedules.

All variances between annual estimates and actual results for 2022 are shown below. Narratives are provided for key major variances which vary by more than 10% from their comparative and that the variation is more than \$1,640.

	Variance note	Estimate 2022 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)
<b>Income from administered items</b>				
<b>Income</b>				
Land Trust receipts	A	-	103,837	103,837
Suitor's fund levy	B	164	85	(79)
<b>Total administered income</b>		<b>164</b>	<b>103,922</b>	<b>103,758</b>
<b>Expenses</b>				
Land Trust payments	A	-	(96,871)	(96,871)
Suitor's fund payments	B	(164)	(43)	121
<b>Total administered expenses</b>		<b>(164)</b>	<b>(96,914)</b>	<b>(96,750)</b>

#### Major estimate and actual (2022) variance narratives:

- A The SSO performs conveyancing of land transactions on behalf of the State. These cannot be forecasted.
- B Payments made through the Suitor's Fund are subject to accepted applications and cannot be forecasted. It is expected that the funds received through the levy are fully expended each year.

## Key Performance Indicators

### AUDITED KEY PERFORMANCE INDICATORS

#### Certification of Key Performance Indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the State Solicitor's Office performance, and fairly represent the performance of the State Solicitor's Office for the financial period ended 30 June 2022.



**Aaron Panzich**  
Acting Chief Finance Officer  
9 September 2022



**Angela Komninos**  
Acting State Solicitor  
9 September 2022



## Performance Assessment

Government Goal	Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive.
Desired Outcomes	Government receives quality and timely legal services.
Services	Legal Services to Government

The SSO became a sub-department of the Department of Justice in October 2021.

The SSO's Outcome Based Management Structure (OBM) was refined with the support of the Office of the Auditor General and the Department of Treasury and in conjunction with the Department of Justice in September 2021. The veracity and accuracy of both indicators were assessed to confirm that it gave a balanced overview of the SSO's key activities; encompassed the work of the SSO; and enabled external stakeholders to assess the performance of the SSO.

These performance measures give an accurate assessment of the legal services delivered by the SSO within a specified timeframe and the average cost of each legal service, irrespective of complexity, and the length of time taken to resolve each legal matter for the period ended 30 June 2022.

The SSO's current OBM is included in the 2022-23 Budget Papers and has one Key Effectiveness Indicator and one Key Efficiency Indicator.

The methodology for collecting the data for the Effectiveness Indicator has been refined, and in summary:

- There are no changes to the questions (SSO Survey) to ascertain levels of satisfaction with legal services provided by the SSO.

- The target population has been expanded from Directors General and Chief Executive Officers to encompass departmental officers who instructed or sought advice from the SSO. The target population has increased from 20 – 25 on average annually to 180 – 200 on average annually.
- Minimal changes have been made to the administration of the SSO Survey.

### Key performance indicators

The SSO has one Effectiveness KPI to assist with the assessment of agency performance in the achievement of government desired outcomes and one Efficiency KPI to assist with the assessment of agency service delivery. These monitor the relationship between the services delivered and the resources used to produce these services.

## Outcome 1: Government receives quality and timely legal services

This KPI measures the extent to which public sector agencies are satisfied with the legal assistance and legal advice provided by the SSO. In addition to ascertaining rates of satisfaction from Directors General and Chief Executive Officers, for 2021-22, satisfaction was also measured through an online quantitative survey.

In total the survey was sent to 186 public sector officers who instructed or sought legal advice and legal assistance from the SSO. Respondents were asked to rate their overall level of satisfaction on a scale of 1 – 100. Overall satisfaction is defined to mean any rating above "60".

The result for 2021-22 is the average rating of the 177 survey respondents.

### Key Effectiveness Indicator

Effectiveness KPI	2021-22 Actual	2021-22 Target	Variance
Extent to which government agencies are satisfied with legal services	93.2%	95%	1.8%

**Note for Actual:** The period is from 1 October 2021 to 30 June 2022.

**Note for Variance:** The decrease in the rate of satisfaction with legal services against the target may be attributed to expanding of the targeted population by sending the survey to more public servants in agencies as indicated above.

## Service 1: Legal services to Government

The KPI is linked to the SSO's Effectiveness KPI and expresses performance as a quantifiable measure. It demonstrates the efficient use of public resources in giving legal services. The KPI is calculated by dividing the total cost of service by the number of recorded matters.

### Key Efficiency Indicator

Effectiveness KPI	2021-22 Actual	2021-22 Target	Variance
Average cost per legal matter	\$5,760	\$5,600	\$160

**Note for Actual:** The period is from 1 October 2021 to 30 June 2022.

**Note for Variance:** The increase in the average cost of matters over the target reflects the growing complexity of new and ongoing legal matters.

## 5. Other Statutory Information

### Ministerial Directives

No Ministerial directives were received during the 2021-22 financial year.

### Other Legal Requirements

#### Contracts with senior officers

At the date of reporting, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contract with the SSO other than the normal contracts for employment of service.

#### Act of grace and ex gratia payments

The SSO from time to time processes act of grace and ex gratia payments on behalf of the State. During 2021-22, four act of grace payments totalling \$816,500 were made.

#### Unauthorised Use of Credit Cards

Officers of the SSO are issued with corporate credit cards where their functions require the use of this facility. Cardholders complete mandatory training before being issued with their credit card to understand their responsibilities under relevant legislation. Payments are reconciled on a monthly basis by the Finance team.

In accordance with section 903(13)(iv) of the Treasurer's Instructions, personal expenditure incurred on a Western Australian Government Purchasing Card must be disclosed. During the reporting period one employee inadvertently utilised the corporate credit card to purchase an item that was not for business use. The matter was not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and the nature of the expenditure was

immaterial and characteristic of an honest mistake.

	2021-22
Number of instances the purchasing card has been used for personal use	1
Aggregate amount	\$260
Aggregate amount settled by due date (within 5 working days)	\$260
Aggregate amount settled after due date	Nil
Aggregate amount outstanding	Nil
Number of referrals for disciplinary action	Nil

#### Expenditure on advertising, market research and direct mail

In accordance with section 175ZE of the *Electoral Act 1907 (WA)*, the following table outlines all expenditure incurred by, or on behalf of, the SSO on advertising agencies, market research, polling, direct mail and media advertising during the reporting period:

Category	Organisation	Amount (\$)
Advertising	Initiative Media	925.45
	Telstra	288.18
Market Research		Nil
Polling		Nil
Direct Mail		Nil
Media Advertising		Nil
<b>Total</b>		<b>\$1,213.63</b>

## Disability Access and Inclusion Plan

The SSO has drafted a Disability Access and Inclusion Plan 2022 – 2026. The draft plan incorporates the seven desired outcomes, and proposes strategies that focus on ensuring people with a disability have equal access and inclusion to the SSO's services and employment.

The draft DIAP will be released for public comment in the first half of 2022-23 to obtain feedback from the broader community and the SSO's staff.

## Compliance with Public Sector Standards and Ethical Codes

Under the draft Service Level Agreement with the Department of Justice, the SSO's staff continue undertake training and refresher courses on the Code of Conduct and relevant standards. The SSO did not receive any reports for breach of discipline under the *Public Sector Management Act 1994 (WA)*.

During 2021-22 no public interest disclosures were lodged with the SSO under the *Public Interest Disclosure Act 2003 (WA)*.

## Record Keeping Plan

The SSO is committed to information management practices that are of a professional standard and comply with the *State Records Act 2000 (WA)* and the State Records Commission Standards.

The SSO's primary means of providing evidence of compliance with the relevant legislation and implementation of best practice relating to information management is our Record Keeping Plan.

The SSO's Recordkeeping Plan sets out the matters about which records are to be created and how they are to be kept. It also provides an accurate reflection of the recordkeeping program within the SSO, including information regarding our recordkeeping system(s), disposal arrangements, policies, practices and processes. The SSO's Recordkeeping Plan was approved by the State Records Commission in March 2018. The SSO's Retention and Disposal Schedule was approved in March 2021, with a further amendment approved in May 2022. A new Recordkeeping Plan will be submitted for approval in Q1 of 2023.

The SSO's induction program includes content that outlines an employees' responsibilities in maintaining compliance with their recordkeeping responsibilities for the SSO. Further, a mandatory online recordkeeping module, hosted by the Department of Justice, was required to be undertaken by all staff in the first half of 2022. The SSO intranet provides access to the Recordkeeping Plan, Disposal Schedule and other records information and guides.

## Government Policy Requirements

### Board and Committee Remuneration

#### Appeal Costs Board

The SSO is responsible for the administration of the *Suitors Fund Act 1964* (WA). The Act establishes the Appeal Costs Board consisting three members appointed by the Governor, of which, one shall be appointed as Chairman of the Board, one shall be nominated by the Law Society of Western Australia (Inc.) and one shall be nominated by the Legal Practice Board.

Position	Member	Type Of Remuneration	Period Of Membership	Term Of Appointment	Base Salary/Sitting Fees (\$)	Amount (\$)
Chair	Alan John Sefton	n/a	2 years	3 years	\$0	n/a
Member	Claire Helen Thompson	per meeting	2 years	2 years	1,128 per day	1,128
Member	Lisa Boston	per meeting	2 years	2 years	1,128 per day	1,128
<b>TOTAL</b>						<b>2,954</b>

#### WA Multicultural Policy Framework

The SSO Multicultural Plan for 2022-25 is being developed with the aim of setting out the SSO's commitment and contribution towards the policy priorities outlined in the Western Australian Multicultural Policy Framework.

Consultation with staff and the Office of Multicultural Interests will be progressed to finalise and implement the plan in 2022-23.

#### Occupational Safety Health and Injury Management

The SSO maintains a commitment to provide staff with a safe and healthy workplace that is free of work-related injuries and diseases. The SSO has a proactive approach in addressing emerging risks of psychological injury to staff through exposure to objectionable material and high levels of workload and stress. The SSO is committed to assisting injured and/or ill employees to return to work as soon as medically appropriate, including by developing a return to work program.

Measure	Results 2021-22	Comments
Number of fatalities	0	
Lost time injury incidence rate <sup>(1)</sup>	1.07	
Lost time injury severity rate <sup>(2)</sup>	1.07	
Percentage of injured workers returned to work within 13 weeks	50%	One employee returned within the period while the other is yet to return.
Percentage of injured workers returned to work within 26 weeks	N/A	
Percentage of managers trained in OSH and injury management	0%	A review of OSH training will be undertaken during 2022-23

<sup>(1)</sup> Number of incidents resulting in lost time per 100 full-time equivalent staff.

<sup>(2)</sup> Number of incidents resulting in lost time classified as severe per 100 incidents resulting in lost time.

